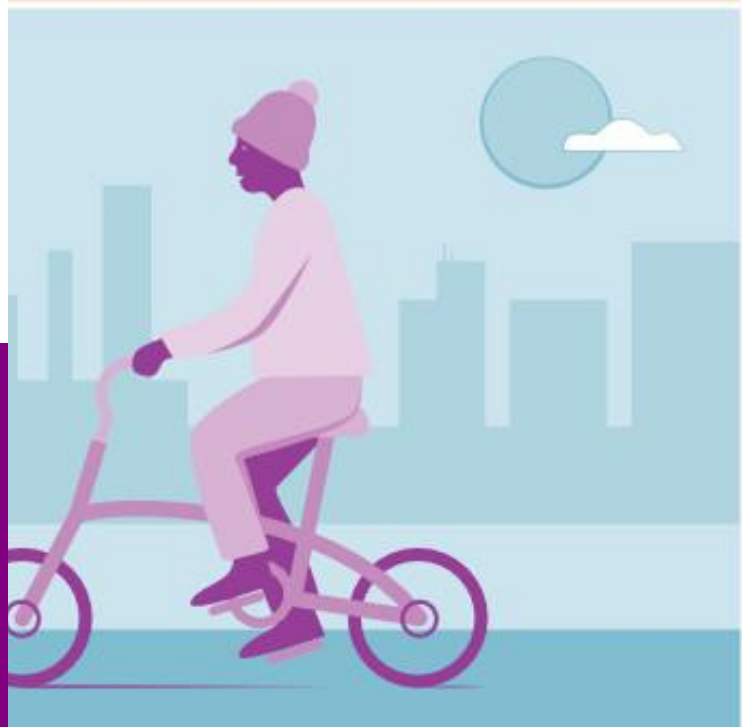




**The Health and
Social Care
Alliance
Scotland
(the ALLIANCE)**



**Pension Age Winter Heating
Payment Consultation
ALLIANCE Response**

15 January 2023

Introduction

The Health and Social Care Alliance Scotland (the ALLIANCE) welcomes the opportunity to respond to this consultation on the Pension Age Winter Heating Payment (PAWHP). Whereas with many other Scottish social security payments the ALLIANCE have advocated for varying degrees of divergence from the UK payments they are replacing, we are content that due to the universal entitlement to PAWHP that like-for-like replacement of the current Winter Fuel Payment is mostly adequate.

There are nonetheless some small changes we believe the Scottish Government should consider making to the payment. In this response, the ALLIANCE:

- Agrees with continuing the universal entitlement to the payment, and that the new name more clearly reflects its purpose.
- Encourages the annual payment of PAWHP to be used as an opportunity to communicate other entitlements, such as disability and carers payments, with the aim of maximising uptake of social security more broadly.
- Recommends that payments be made in November so as to be available before the winter period, and in particular so that off-grid households reliant on the advance purchase of fuel are able to stock up at the right time.
- Calls for uplifts to the payment to be in line with the rate of increase in energy bills rather than simply the overall rate of inflation, to ensure it keeps pace with the bills it is intended to support with.
- Recommends that individuals who have opted out of receiving PAWHP nonetheless receive occasional reminders of their entitlement, so that if their circumstances have changed they are reminded that they can access support.
- Recommends that it consider more broadly what further actions it could take to reduce fuel poverty in rural and island areas especially.



Question 1a. Do you agree or disagree with the proposal to replace Winter Fuel Payment with a ‘like-for-like’ replacement?

Agree.

Question 1b. Please provide further information on why you agree or disagree.

As the current Winter Fuel Payment takes a universal approach, in principle we agree with introducing the Pension Age Winter Heating Payment on a like-for-like basis. Unlike other social security payments that have been devolved to the Scottish Parliament, there is no need to revisit often restrictive eligibility criteria, either in the short or long term.

Question 2a. Do you agree or disagree that this approach is an effective way for the Scottish Government to provide financial support for older people?

Agree.

Question 2b. Please provide further information on why you agree or disagree.

As reflected in the consultation paper, the universal entitlement to and automatic payment of the existing Winter Fuel Payment has led to an extremely high take-up rate. This suggests current delivery mechanisms are highly effective and should continue to be so after the introduction of the new payment.

Where appropriate, as in this case, universal payments are generally an effective means of delivering support to a target group. Reducing the need to understand and assess entitlement against often complex eligibility criteria ensures that as many people as possible can access the payment, whilst minimising the administrative resource necessary for delivery.



Question 2c. Do you have any further comment on the potential longer term development of this benefit in order to provide the most effective support?

It is important to bear in mind the diversity of circumstances and experiences that will exist amongst people of pension age. Whilst this payment will provide welcome support, some groups including disabled people, people living with long term conditions, and unpaid carers are likely to experience higher than average heating costs.

The universal nature of the payment could be used as an annual opportunity to communicate to people what other support they may be eligible for or that can be accessed to support with energy bills. This could include highlighting the availability of disability and carer support payments, as well as any applicable energy efficiency or insulation schemes, in a letter to recipients of PAWHP. Promoting other social security payments this way should be considered as part of the wider benefits take-up strategy.

Question 3a. Do you agree or disagree with the proposal to name the replacement for Winter Fuel Payment in Scotland 'Pension Age Winter Heating Payment' (PAWHP)?

Agree.

Question 3b. Please provide further information on why you agree or disagree.

Although the new name is longer, it provides a clear and obvious description of who the payment is aimed at. In the longer term, this may assist recipients in understanding why they have an entitlement to the payment. In the short term however, it will be important to communicate to existing recipients that the name has changed and the reasons for this, as they may otherwise think they have lost entitlement to or not received their Winter Heating Payment.



Question 4a. Do you agree or disagree with the proposal to continue making payments to clients in November or December each year?

Agree.

Question 4b. Please provide further information on why you agree or disagree.

As the peak need for heating is typically from December through to February, receiving the payment at the beginning of that period ensures recipients have the money available in advance of using the energy.

This is particularly important for people living in rural or island areas who are reliant on direct purchase of fuel such as heating oil. Whereas households with mains gas or electric heating may typically pay in arrears by direct debit or bank transfer, other fuels must be purchased in advance. A household that may be refilling or stocking up on fuel for the winter will therefore benefit from receiving the payment at the beginning of winter.

Ensuring that the payment is available as early as possible should not require a significant change to delivery timescales, or to changing the eligibility week. We would recommend that narrowing the intended payment period from “November or December” to November alone would help improve the timeliness of support.

Question 5. How could we improve delivery for households in remote rural and island communities that are not on the gas grid?

As noted in our response to the previous question, ensuring that the payment arrives as early as possible within the intended period will give households not connected to the gas grid the maximum opportunity to plan ahead and stock up on fuel before winter. The Scottish Government should consider further support beyond the confines of PAWHP to specifically address the additional costs and challenges associated with being off grid, for example subsidising fuel costs and funding energy efficiency and retrofitting measures.



Question 6a. Do you agree or disagree that our universal approach to identifying eligibility should be based on reaching state pension age?

Agree.

Question 6b. Please provide further information on why you agree or disagree?

Using state pension age as the core criteria for a universal approach is clear, consistent and simple. It aligns with the name of the payment, the state pension age is identical for all individuals within each cohort, and it eases delivery by maintaining a link with another universal payment that the Department for Work and Pensions (DWP) already collect the data necessary to deliver.

Question 7a. Do you agree or disagree that the eligibility criteria for the PAWHP are clear?

Agree.

Question 7b. Please provide further information on why you agree or disagree.

The use of state pension age as the core criteria for eligibility will be easy to understand for most people. Eligibility for individuals living outwith Scotland but who would be entitled to the payment may be less clear, however this relates more to the complexity of international social security arrangements than to any criteria the Scottish Government may set.

Question 8a. Do you agree or disagree with the proposal to retain the current value of payments?

Don't Know



Question 8b. Please provide further information on why you agree or disagree.

The net increase in energy bills over the past two years has been significantly higher than the general rate of inflation. Energy bills will therefore now account for a larger proportion of household expenditure than previously, and so replicating existing values of payment that may have risen only with the general rate of inflation will mean households are receiving less support in real terms than previously.

In principle, we would therefore argue that consideration should be given to increasing the value of the payments proportionate with inflation or with the increase in energy bills, whichever is higher. This would reduce levels of financial hardship and fuel poverty amongst pension aged households, whilst also ensuring the payment continues to fulfil its intended purpose to the greatest extent possible.

We do however recognise that the Scottish Government is currently in a difficult financial position and is aiming to ensure the sustainability of social security payments more generally. As a universal payment, there will be some recipients of PAWHP who will not necessarily need the payment in order to manage their bills even after recent increases.

The ALLIANCE's 'Disabled People, Unpaid Carers and the Cost of Living Crisis' report has previously outlined a targeted approach to social security payments with the aim of supporting people during the current cost of living crisis¹. We would encourage the Scottish Government to consider making further payments beyond the proposed value of PAWHP, either through increasing the value of the payment itself or through targeted payments, in the way that makes best use of limited resource to reduce fuel poverty.

Question 9a. Do you agree or disagree that people in residential care who do not receive the income-related benefits listed should receive half of the 'full' rate of PAWHP?

Agree.



Question 9b. Do you agree or disagree that people in residential care who receive one of the income-related benefits listed should not receive PAWHP?

Agree.

Question 9c. Please provide further information on why you agree or disagree.

The ALLIANCE agree with the explanations given in the consultation document. For people in residential care who are not receiving relevant income-related benefits, a half payment is reasonable on the basis that they will be benefitting from the lower costs of a shared bill, but still required to contribute to the costs of residential care. For those in residential care and receiving relevant income-related benefits, as they would generally not be contributing to the costs of residential care, it is reasonable to exclude them from the payment entirely as they will not have even indirect responsibility for paying for energy.

Question 10a. Do you agree or disagree with the proposal for PAWHP to be given to clients in the form of a cash payment and not another form?

Agree.

Question 10b. Please provide further information on why you agree or disagree.

The ALLIANCE support a “cash first” approach to social security as standard. This respects individual choice and dignity by ensuring payments are available to those who need them, but without proscribing or limiting how they should be used.

Question 11a. Do you agree or disagree with the proposal to pay PAWHP as an annual one-off payment each winter?

Agree.



Question 11b. Please provide further information on why you agree or disagree.

In line with our responses to earlier questions, we believe it is important that people receive their PAWHP as far in advance of their winter energy bills as possible. This is especially vital for people in rural or island areas who are off-grid and reliant on advance purchase of fuel for the winter.

Making the payment as a one-off sum ensures that the full amount is available when it is needed. It also provides a predictable annual payment, and may make financial planning easier than receiving it in instalments over the course of several months. Although this should not be a primary consideration, it will also be easier for Social Security Scotland to administer as a single payment than multiple instalments.

Question 12a. Do you agree or disagree with the proposals for providing a way for people to opt-out of receiving PAWHP?

Agree.

Question 12b. Please provide further information on why you agree or disagree.

Whilst the ALLIANCE are supportive of the principle of universal payments in appropriate circumstances, we also acknowledge that some payments will be given to people who neither need nor want them. Continuing to provide the ability for such households to opt-out allows for people to exercise choice over the support they receive, whilst also resulting in modest savings for the public purse.

We would however encourage the Scottish Government to consider the possibility of sending occasional reminder letters, for example annually or every second year, to individuals who have opted out to remind them that they retain eligibility. This may prompt some people whose circumstances



have changed, but who otherwise might have forgotten they had opted out, to resume receipt of the payment if they feel they need it.

Question 13a. Do you agree or disagree with the proposal to continue having the ‘qualifying week’ in September to identify eligible clients?

Agree.

Question 13b. Please provide further information on why you agree or disagree.

The ALLIANCE recognise the need for a “qualifying week” which must fall far enough in advance of the scheduled payment date to allow enough time to determine the level of payment and make arrangements for delivering it. Matching the qualifying week with Child Winter Heating Payment would ensure consistency of approach across payments.

Question 14a. Do you agree or disagree with the proposal that clients have 31 days to request a re-determination?

Agree.

Question 14b. Please provide further information on why you agree or disagree.

The ALLIANCE have previously suggested in responses to earlier social security related consultations that there should be equality of timescale for requesting and considering re-determinations. However, we understand that timescales are now broadly standardised across devolved payments. We are therefore generally content for those standard timescales to be applied to PAWHP to ensure consistency across the system.

Question 15a. We have proposed that Social Security Scotland have a period of 56 working days to consider a re-determination of PAWHP. Do you agree or disagree with this proposal?

Agree.



Question 15b. Please provide further information on why you agree or disagree.

The ALLIANCE have previously suggested in responses to earlier social security related consultations that there should be equality of timescale for requesting and considering re-determinations. However, we understand that timescales are now broadly standardised across devolved payments. We are therefore generally content for those standard timescales to be applied to PAWHP to ensure consistency across the system.

Question 17. Please set out any information you wish to share on the impact of PAWHP on groups who share protected characteristics.

The ALLIANCE agree with the conclusions of the equality impact assessment with regards to the protected characteristics of age and disability. As noted in the assessment, older people are more likely to be disabled and so there is some degree of interrelation between these two characteristics, and PAWHP by design is intended to have a positive impact on older people.

Question 19. Please set out any information you wish to share on the impact of PAWHP on Island communities.

The ALLIANCE agree that given the intention of a like-for-like replacement for Winter Fuel Payment, PAWHP will likely have a neutral effect on island communities. As noted in the impact assessment however, there are significantly higher rates of fuel poverty in island communities, and this is clearly related to the number of properties which are off the mains gas grid and therefore reliant on other fuels.

Although not within the scope of PAWHP, we would encourage the Scottish Government to consider what further actions it can take to support with off grid fuel costs that would complement the policy objectives of PAWHP. For example, Energy Action Scotland have previously called for price controls for domestic fuels, as well as making rural and island households priorities for energy efficiency and retrofitting measures².



Question 20. Please set out any information you wish to share on the impact of PAWHP on reducing inequality of outcome caused by socio-economic disadvantage.

In general, we would expect social security payments like PAWHP to have a positive impact on reducing socio-economic inequalities, by ensuring there is additional financial support available to older people at the time of year with the greatest energy use. Although PAWHP is a universal payment, it will provide the greatest benefit to households with lower incomes, and should be considered part of the Scottish Government's wider attempts to reduce poverty, including fuel poverty.

About the ALLIANCE

The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector intermediary for health and social care, bringing together a diverse range of people and organisations who share our vision, which is a Scotland where everyone has a strong voice and enjoys their right to live well with dignity and respect.

We are a strategic partner of the Scottish Government and have close working relationships with many NHS Boards, academic institutions and key organisations spanning health, social care, housing and digital technology.

Our purpose is to improve the wellbeing of people and communities across Scotland. We bring together the expertise of people with lived experience, the third sector, and organisations across health and social care to inform policy, practice and service delivery. Together our voice is stronger and we use it to make meaningful change at the local and national level.

The ALLIANCE has a strong and diverse membership of over 3,500 organisations and individuals. Our broad range of programmes and activities deliver support, research and policy development, digital innovation and knowledge sharing. We manage funding and spotlight



innovative projects; working with our members and partners to ensure lived experience and third sector expertise is listened to and acted upon by informing national policy and campaigns, and putting people at the centre of designing support and services.

We aim to:

- Ensure disabled people, people with long term conditions and unpaid carers voices, expertise and rights drive policy and sit at the heart of design, delivery and improvement of support and services.
- Support transformational change that works with individual and community assets, helping people to live well, supporting human rights, self management, co-production and independent living.
- Champion and support the third sector as a vital strategic and delivery partner, and foster cross-sector understanding and partnership.

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¹ The ALLIANCE, 'Disabled People, Unpaid Carers and the Cost of Living Crisis: Impacts, Responses and Long Term Solutions' (October 2022), available at: <https://www.alliance-scotland.org.uk/wp-content/uploads/2022/10/ALLIANCE-Cost-of-Living-Report.pdf>

² Energy Action Scotland, 'EAS Policy Position Statement – Rural Fuel Poverty', available at: <https://eas.org.uk/key-issues/policy-position-statements/eas-policy-position-statement-rural-fuel-poverty/>

